

Charity number 1073862
Company number 3544402

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 August 2015

SA FRIDAY



	S57UI2YP	
SPE	27/05/2016	#129
	COMPANIES HOUSE	
	A58XbLLF	
A12	11/06/2016	#115
	COMPANIES HOUSE	

Contents

	Page
Legal and administrative information	1
Trustees' report and strategic report	2 - 5
Auditors' report to the trustees	6
Consolidated statement of financial activities	7
Consolidated group and charity balance sheets	8
Consolidated cash flow statement	9
Notes to the financial statements	10-16

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Legal and administrative information

Charity registration number	1073862
Company registration number	3544402
Registered office and Business address	Trust Office, Hartley Hall Alexandra Road South Manchester, M16 8NH Telephone 0161 860 7575 Fax 0161 860 7766 Email admin@mietltd.co.uk
Trustees	Mr Faroukh Zaheer Moulana Habib Ur Rahman Mr Nasar Mahmood Mr Imad Al-Salam Mr Abdulkadir Kawooya Mr Salim Al-Astewani Mr Haytham Al-Khaffaf Dr Abdullah Al-Majid Dr Hamad Al Majid Dr Abdullah Al-Razeen Dr Abdul Mohsen Al-Saif Mr Samer Salam Mr Tamim Estwani Mrs Farhat Javid (Appointed on 5/02/2015)
Head teachers	Mrs Adia Ali Mrs Mona Mohamed Mr Charles Mills
Auditors	Riley Moss Audit LLP Chartered Accountants First Floor 184 Cheetham Hill Road Manchester M8 8LQ
Bankers	Royal Bank of Scotland 467 Wimslow Road Withington Manchester M208AP Bank of Ireland John Dalton Street Manchester M2 6BN

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Trustees' report (incorporating the directors' report) and strategic report
for the year ended 31 August 2015

The trustees present their report which includes the strategic report and the audited financial statements for the year ended 31 August 2015. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011, Companies Act 2006 and the Statement of Recommended Practice: Accounting and reporting by Charities 2005 (SORP 2005). The trustees, who are also directors for the purposes of company law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Manchester Islamic Educational Trust (MIET) Ltd was incorporated on 9 April 1998 as a company limited by guarantee, under company number 3544402 and has been granted charitable status under Charities Act 1960, in February 1999 under registration number 1073862.

MIET runs KD Grammar School for Boys, Manchester Islamic High School for Girls, Manchester Muslim Preparatory School and the new facility, within the Hartley Hall building owned by this Trust, Hartley Hall of Residence as an accommodation facility for university students providing en-suite rooms. This accommodation has since April, 2014 become a separate independent limited company with 100% of its shares owned by MIET. This new company going by the name of Hartley Hall of Residence Ltd which is part of Hartley Hall site, rents the premises from MIET. All the buildings housing these schools and the student accommodation are owned by MIET. MIET, which is a limited company, is governed by the policies made from time to time by the trustees together with the terms of its Memorandum and Articles of Association which set out the objects and powers of the company.

The trustees are also Directors of the Charity for the purposes of the Companies Act 2006. The power of appointing new trustees is vested in the trustees. The procedure to appoint or withdraw a trustee is adopted in accordance with the Trust Deed. The Board may appoint a trustee during the year to fill a casual vacancy to serve a probationary period of six months. Subject to a satisfactory outcome of the probationary period a permanent trusteeship is offered subsequently. Trustees are also encouraged to attend relevant external briefings and training courses. They meet regularly to manage the affairs of the schools and to discuss other affairs. The Board comprises members from a variety of backgrounds and there are sub-committees dealing with various aspects of the operation. All major decisions are ratified by the Board of Trustees. In addition, the trustees are also responsible for setting out the strategy of the Trust and monitoring its progress towards the stated aims and objectives. During the year one trustee was appointed and no trustee resigned.

Staff is required to progress the aims and objectives and for the operational management and development of the schools under the Trust's control. Furthermore, students and staff are continuously encouraged to contribute to the local community and the wider community by the establishment and development of links at various levels. The day to day management of each school is delegated to the respective Head teachers supported by their Senior Management/Leadership Teams. In addition, there are sub-committees covering staffing, curriculum, finance and buildings which meet more regularly and are attended by the Head teachers. This team in turn delegates the responsibility to the teaching and non teaching staff to ensure smooth implementation.

Investment policy

The Board of trustees is authorised under the Memorandum and Articles of Association to make and hold investments using the general funds of the above Charity in anyway the trustees wish. However, no such investments are presently held.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks. In addition to the risk assessments carried for the purpose of insurance, the school also carry out numerous other risk assessments as required by the various regulations governing schools.

Objectives and activities

The objective of the Trust is the advancement in the United Kingdom of education in general, complimented by Islamic education. Secondly it is the objective of the Trust to provide and maintain schools within the United Kingdom for providing facilities to enable young persons in the doctrines and practices of the Islamic faith and in the Arabic language. In this respect the Trust follows the latest regulations in that it promotes actively the Prevent Strategy of the government and the promotion of democracy and British values. The Trust may in the future try and establish additional Islamic schools to meet demands but this is subject to availability of adequate funds. In setting the objectives and planning activities, trustees have given careful consideration to the Charity Commission's general guidance on public benefit, advancing education and on fee-charging.

Intended impact and strategies

Within these Objects the MIET started the Islamic High School for Girls and KD Grammar School for Boys in January 1991 and 1999 respectively. Manchester Muslim Preparatory School which was being operated by a sister charity, was added to this Trust in September 2009.

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

**Trustees' report (incorporating the directors' report) and strategic report
for the year ended 31 August 2015**

The Schools implement the aims and objectives of the Trust by providing a first class independent education, through strong academic tuition awareness of spiritual values and developing artistic, spiritual moral, cultural and social skills in all students. This is intended to provide an environment where each pupil can begin to realise his or her own potential, thus helping to build self-confidence and self-esteem in preparation for a contented and fulfilling life contributing to the welfare of the wider community. This is achieved by offering education appropriate to the needs of boys and girls aged from 3 to 16. Progression is given as much emphasis as attainment. The schools have consistently shown to achieve a much higher value added component to its educational mix and regime than the national average.

The Trustees aim to create a supportive and caring environment where each pupil is recognised and is educated as an individual. MIET seeks to produce academically and spiritually well educated young men and women, with highly developed interpersonal skills with a broad range of interests. Hence pupils can compete at any level with the brightest and the best. The schools do also award places by giving some financial assistance to those that are less fortunate. The difficult period during this year and the year prior to this has continued and it is hoped that personal circumstances of parents will change soon. The Trust has therefore continued to extend additional financial help and assistance to the less fortunate who have found it difficult to pay the full fees. This has amounted to over £125,000 over the year. By offering discount on fees and helped by donations received from Hartley Hall of Residence Ltd. MIET has been able to help those require financial assistance where needed. The trustees continue to explore the area of higher education where some of the students doing their GCSEs can also avail the opportunity of doing their A level at out schools. It is hoped that with the improvement of economic climate and outlook in the country additional funds will become available to implement this plan. Capital cost and operational viability permitting it continues to hope to go ahead with this option in the near future.

Strategic report

Achievements and performance

The trustees are pleased that the academic attainment and achievement of the schools has been satisfactory throughout the year. In the recent inspections carried out by Ofsted of two of our schools we achieved good to outstanding judgements. However there is always room for improvement in certain areas. The public examination results for GCSEs continued to reflect the high level of achievement expected from the students at both schools.

Teaching and learning continues to improve. Extra-curricular activities continue to expand. Trips are regularly organised by the schools to museums, football matches, going abroad for educational trips, etc. Participation in various outdoor and health related activities continue to be organised by the schools with competitive matches being played with local schools. The organisation of interfaith exchange programmes, raising of funds for various Appeals and Charities such as Children in Need, Islamic relief, Christies Hospital, etc. are regularly conducted with a view to impart the importance of such activities in raising awareness of the children and character building. Important, inspirational speakers are invited after stringent vetting, to speak to the school pupils with the hope that this will inspire them to become better human beings and Muslims and will in the future they themselves will act as role models for their younger school colleagues. Trips abroad have proved to be an important educational experience for the students and have now become a regular fixture. Whilst various activities are held throughout the year this remains popular with the students, helping them to bond with each other and to increase their sense of common social responsibility. As in the past Umrah (pilgrimage) trips have continued to be organised to educate the learners in the importance of pilgrimage, trips to other countries have also been arranged with a view to help broaden the outlook of students and for them to understand other cultures and history of those countries. The students completed a successful Umrah, attaining a life changing experience of both spiritual and educational benefits.

Other activities related to the educational cultural experience of the students were undertaken and these included a "Culture Day" emphasising the rich diversity of the student mix and better understanding it brings to those who attend these schools. This is becoming a regular feature at our schools. Inter-faith and multi-faith activities are vigorously pursued. Other activities which add to their experience and awareness of where they live included "Citizenship Week", mock elections, etc. Students at both schools undertook work experience projects. All accepted placements at various local locations and every single pupil expressed enjoyable and learning experiences. Positive and supportive reports from employers who participated in the placement programmes have been noted. The PTA is being reinforced so as to be more effective with one raising funds for additional resources and facilities in the school.

The schools have continued to build upon their reputation for educating its pupils to a high standard whilst also providing them with a full and rounded education through a full programme of extra curricular activities.

The Trustees are also satisfied that the schools are achieving their stated objectives throughout the year in question.

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

**Trustees' report (incorporating the directors' report) and strategic report
for the year ended 31 August 2015**

In line with maintaining the buildings and keeping the schools in good and presentable condition, and to fulfil the Health & Safety guidelines, regular repair and maintenance work is carried out. In the Schools, computers are constantly upgraded or replaced as and when necessary for the betterment of education. White boards and projectors are also being installed within the budgets agreed and allocated to the schools. All the classrooms now have interactive boards. All this is in line with the Trust strategy to slowly build up adequate reserves to fund an ambitious programme of renovating the schools.

Fund raising has remained difficult given the economic conditions prevalent in the country and abroad and the many demands being placed on the donors from all over the world. However attempts are continually being made to raise funds to implement smaller improvement and refurbishment work. Efforts are also made to raise funds to provide financial help to deserving children and their parents.

In line with the policy and vision of the Trust, all MIET schools try and impart to their students British values which are in no way different from the values expressed by their faith: values of tolerance, peace, coexistence, to be charitable, etc. The pupils are taken to houses of worship of other religions and faiths, pupils of other faiths are invited to visit our schools and pupils from our schools visit schools of other faiths or none.

The Schools each have a separate dedicated Headteacher and each of the Schools is fortunate to have staff that is hard working and is fully committed and in turn is led by a capable Headteacher and Senior Management/Leadership Teams. There have been a few staff changes during the year at all the schools, this is in line with such changes taking place at all schools during the academic year. The Boys School and the Preparatory School also have a Deputy Headteacher to help the Headteachers. Hartley Hall of Residence Ltd, the wholly owned subsidiary of MIET, has a dedicated "Residential Letting and Admin Manager" to look after that side of the operations and to ensure a good service is being provided to the residents.

Fund raising for other charities

The staff and pupils supported various local and national appeals at other events, supporting good causes and humanitarian appeals. Student participation in fund raising for people struck by various natural calamities and disasters abroad was forthcoming and generous. They showed keenness and were able to raise funds for various charities. The events are appreciated by pupils as a reflection of their individual well-being, fortunate circumstances and responsibilities as future citizens. The Trustees would sincerely like to record their gratitude and thanks to their staff and for all the volunteers for their tremendous efforts in furthering the schools' development and for their compassionate voluntary services rendered during the year. Secondly, we thank all voluntary supporters and donors whose commitment and dedication led to success.

Financial review

The schools' principal funding source is from school fees, which amounted to £2,596,233 (2014 £2,452,475). The schools continue to hire out facilities during vacations and after-school hours, and have received £45,668 (2014 £216,972). This facility is provided to the community and the public at discounted prices/rates so as to facilitate ease of availability with a view to be benefit to the community and public. The Charity's subsidiary company Hartley Hall of Residence Limited (HHR) has continued to maintain its valuable contribution to the charity by the method of gift aid which amounted to £186,409 (2014 £nil). Rental income from HHR amounted to £43,200 (2014 £nil). Fees and salary increase had to be implemented given that salary increase can only be justified in most cases with an increase in school fees. Overhead percentage has remained fairly consistent throughout the period. The Trust and the schools are continuing with aggressive promotional plan to try and attract more parents/pupils to the schools. If the Trust and the schools are to fulfil the purpose for which they were established then its existence and availability must be known to as many in the community as possible.

Although the principal source of funding for running the schools is the fee charged from the students however fundraising is continuously being sourced by the Schools and the Trust to augment the funds needed by the schools.

Reserves policy

It is the policy of the charity to maintain unrestricted funds at a level sufficient to cover unforeseen and major expenditure and shortfalls in income. The trustees remain confident in their ability to raise the necessary funds, thereby adhering to the maintenance of a balanced budget.

Going concern

The trustees consider that the projected net income and the value of realisable assets will be more than adequate to cover the current liabilities of the charity. Hence the trustees conclude that the accounts comply with the requirements of the trust's governing body and it remains a going concern.

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

**Trustees' report (incorporating the directors' report) and strategic report
for the year ended 31 August 2015**

Plans for future periods

The key plans related to the charitable aspects of the Schools are as follows

- The need for effective use of space and resources within the Schools,
- Improvement of the marketing plans for recruiting extra students at all schools,
- To maintain and improve the current high standards of academic achievement as measured by external examinations and independent value added criteria,
- To continue focusing on continued professional development for teachers and the management
- To find ways & means to provide funding so as to offer financial assistance to more applicants than being presently done

Statement of trustees' responsibilities

The trustees (who are also the directors of Manchester Islamic Educational Trust Limited for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards)

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

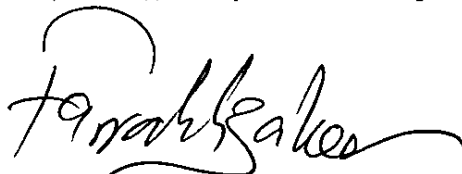
Auditors

A resolution proposing that Riley Moss Audit LLP be reappointed as auditors of the charity will be put to the Annual General Meeting

Vote of Thanks and Gratitude

The Trustees would sincerely like to record their gratitude and thanks to their staff and for all the volunteers for their tremendous efforts in furthering the school's development and for their compassionate voluntary services rendered during the year. Secondly, we thank all voluntary supporters and donors whose commitment and dedication has led to the success of this charity.

This report was approved by the trustees and signed on its behalf by



Mr Farroukh Zaheer
Director / Trustee

Date 25/5/16

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Independent auditor's report to the members of Manchester Islamic Educational Trust Limited

We have audited the financial statements of Manchester Islamic Educational Trust Limited for the year ended 31 August 2015 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 2 - 5, the trustees (who are also directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report and the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 August 2015 and of group's incoming resources and application of resources including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Farook Patel
Senior Statutory Auditor
For and on behalf of Riley Moss Audit LLP
Statutory Auditor

Date 26/05/2016

First Floor
184 Cheetham Hill Road
Manchester
M8 8LQ

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Consolidated statement of financial activities (incorporating the consolidated income and expenditure account)
For the year ended 31 August 2015

	Notes	Unrestricted funds £	2015 Total £	2014 Total £
Incoming resources				
Incoming resources from generating funds				
Voluntary income	2	19,694	19,694	66,089
Activities for generating funds				
Fundraising events - Donations	3	5,674	5,674	-
Turnover of trading subsidiary	4	379,449	379,449	-
Incoming resources from charitable activities	5	2,901,310	2,901,310	2,909,869
Total incoming resources		3,306,127	3,306,127	2,975,958
Resources expended				
Costs of generating funds				
Fund raising event	6	3,018	3,018	1,106
Trading cost of subsidiary	4	150,040	150,040	-
Charitable activities	7	3,087,395	3,087,395	3,110,796
Governance costs	8	12,986	12,986	29,410
Total resources expended		3,253,439	3,253,439	3,141,312
Net incoming/(outgoing) resources for the year/ Net income/(expenditure) for the year		52,688	52,688	(165,354)
Total funds brought forward		3,845,199	3,845,199	4,010,553
Total funds carried forward		3,897,887	3,897,887	3,845,199

All of the above amounts relate to continuing activities

The notes on pages 10 to 16 form an integral part of these financial statements

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Group and Charity balance sheets
as at 31 August 2015

	Notes	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Fixed assets					
Tangible assets	14	3 696,752	3 789,197	3,696,752	3,789,197
Investments	15	1,000	1 000	1,100	1,000
		<u>3,697,752</u>	<u>3 790,197</u>	<u>3,697,852</u>	<u>3,790,197</u>
Current assets					
Debtors	16	103,427	142 734	215,878	142,734
Cash at bank and in hand		<u>613,369</u>	<u>399 760</u>	<u>495,929</u>	<u>399,760</u>
		716,796	542,494	711,807	542,494
Creditors amounts falling due within one year	17	(516,661)	(487,492)	(511,772)	(487,492)
Net current assets		<u>200,135</u>	<u>55 002</u>	<u>200,035</u>	<u>55,002</u>
Net assets		<u>3 897,887</u>	<u>3 845,199</u>	<u>3,897,887</u>	<u>3,845,199</u>
Funds					
Unrestricted income funds	18	<u>3,897 887</u>	<u>3,845 199</u>	<u>3,897,887</u>	<u>3,845,199</u>
Total funds		<u>3,897,887</u>	<u>3,845,199</u>	<u>3,897,887</u>	<u>3,845,199</u>

The financial statements were approved by the board and signed on its behalf by



Mr Farroukh Zaheer
Director / Trustee

Date 28/5/16

Company number 3544402



Mr Nasar Mahmood
Director / Trustee

Date 28/5/16

The notes on pages 10 to 16 form an integral part of these financial statements

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Consolidated cash flow statement
for the year ended 31 August 2015

	Notes	2015 £	2014 £
Net incoming/(outgoing) resources for the year		52,688	(165,354)
Depreciation and impairment		124,016	136,735
(Increase)/Decrease in debtors		39,307	139,588
Increase/(Decrease) in creditors		34,058	(12,295)
Net cash inflow from operating activities		250,069	98,674
Capital expenditure	21	(31,571)	(44,237)
Increase in cash in the year		218,498	54,437
Reconciliation of net cash flow to movement in net funds	22		
Increase in cash in the year		218,498	54,437
Cash (decrease)/increase in debts and lease financing		2	304
Movement in net funds in the year		218,500	54,741
Net funds at 1 September 2014		394,869	340,128
Net funds at 31 August 2015		613,369	394,869

The notes on pages 10 to 16 form an integral part of these financial statements

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2015

1 Accounting policies

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention except for the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006

1.2 Basis of consolidation

The group financial statements consolidate the financial statements of the Charity and its wholly owned subsidiary Hartley Hall Residence Limited. All inter group transactions and profits are eliminated fully on consolidation. As permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP, a separate Statement of Financial Activities and income and expenditure account for the charity itself are not presented

1.3 Fund accounting

Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

1.4 Incoming resources

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. The value of services provided by volunteers has not been included. Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost.

Income from investments is included in the year in which it is receivable

Income from school fees represents fees earned in respect of the provision of education to pupils during the year. Fees for education to be provided in future years are carried forward as deferred income in the balance sheet

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable

1.5 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fund raising purposes

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows

Land and buildings	-	Straight line over 50 years
Ground and building improvements	-	Straight line over ten years
Fixtures, fittings and equipment	-	15% reducing balance
Motor vehicle	-	25% reducing balance

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2015

1 7 Investments

Investments held as fixed assets are revalued at market value at the balance sheet date and the gain or loss taken to the statement of financial activities

2 Voluntary income

	Unrestricted funds £	2015 Total £	2014 Total £
Unrestricted donations	19,694	19,694	34,791
Grants receivable	-	-	31,298
	<u>19,694</u>	<u>19,694</u>	<u>66,089</u>

3 Activities for generating funds

	Unrestricted funds £	2015 Total £	2014 Total £
Fundraising events - Donations	5,674	5,674	-
	<u>5,674</u>	<u>5,674</u>	<u>-</u>

4 Trading subsidiaries

The charity controls its trading subsidiary Hartley Hall of Residence Limited (Company Number 08956450), a company registered in England and Wales, by virtue of holding 100% equity share capital

Hartley Hall of Residence Limited's (HHR Ltd) principal activity continues to be that of receiving rental income from student accommodation. HHR Ltd was set up for furthering the fundraising activities of Manchester Islamic Educational Trust Ltd (Charity) with all profits to be donated back to Charity. HHR Ltd was entitled to exemption from audit under section 479A of the Companies Act 2006. A summary of HHR Ltd's trading results for the period ended 31 August 2015 are summarised below:

Summary of trading results

	2015 £	2014 £
Turnover	379,449	-
Rent paid to charity	(43,200)	-
Administrative expenditure	<u>(150,040)</u>	<u>-</u>
Net profit for the year	186,209	-
Amount gift-aided to the charity	<u>(186,209)</u>	<u>-</u>
Retained profit	-	-
Shareholders' Funds	<u>100</u>	<u>-</u>

5 Incoming resources from charitable activities

	Unrestricted funds £	Group 2015 Total £	Group 2014 Total £	Charity 2015 Total £	Charity 2014 Total £
School fees	2,596,233	2,596,233	2,452,475	2,596,233	2,452,475
Rent received and hire of facilities	45,668	45,668	216,972	88,868	216,972
Books, sundry fees and miscellaneous income	259,409	259,409	240,422	259,409	240,422
	<u>2,901,310</u>	<u>2,901,310</u>	<u>2,909,869</u>	<u>2,944,510</u>	<u>2,909,869</u>

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2015

6 Costs of generating funds

	Unrestricted funds £	2015 Total £	2014 Total £
Costs of fund raising event	3,018	3,018	1,106
	<u>3,018</u>	<u>3,018</u>	<u>1,106</u>

7 Costs of charitable activities - by activity and fund type

	Notes	Unrestricted funds £	2015 Total £	2014 Total £
Activities undertaken directly				
Teaching staff costs		1,604,978	1,604,978	1,545,839
Book and resources		137,866	137,866	135,234
School trips		133,169	133,169	135,975
Donations		-	-	13,906
Support costs				
Support costs	9	1,211,382	1,211,382	1,279,842
		<u>3,087,395</u>	<u>3,087,395</u>	<u>3,110,796</u>

8 Governance costs

	Unrestricted funds £	2015 Total £	2014 Total £
Accountancy and bookkeeping fees	9,386	9,386	25,810
Audit fees	3,600	3,600	3,600
	<u>12,986</u>	<u>12,986</u>	<u>29,410</u>

9 Analysis of support costs

The breakdown of support costs and how these were allocated between costs of charitable activities and governance costs is shown in the table below

	Basis of allocation	Costs of charitable activities £	2015 Total £	2014 Total £
Staff costs - non teaching staff	Staff time	539,476	539,476	523,559
Rates including water rates	Usage	43,737	43,737	57,427
Light and heat	Usage	84,271	84,271	94,483
Repairs and maintenance	Usage	131,005	131,005	134,561
Insurance	Usage	31,544	31,544	34,050
Motor and travelling costs	Usage	5,563	5,563	4,054
Legal and professional costs	Usage	15,774	15,774	22,006
Depreciation	Usage	124,016	124,016	136,735
Advertising	Usage	2,573	2,573	57,726
Telephone	Usage	42,750	42,750	16,736
Catering expenditure	Usage	13,893	13,893	45,558
Software expenses	Usage	41,815	41,815	5,954
Cleaning	Usage	52,092	52,092	44,215
Subscriptions	Usage	12,747	12,747	7,831
Printing and postage	Usage	25,088	25,088	45,689
Bank charges	Usage	6,108	6,108	6,962
General expenses	Usage	15,974	15,974	14,258
Staff recruitment and training	Staff time	17,508	17,508	10,035
Bad debts	Usage	5,448	5,448	18,003
		<u>1,211,382</u>	<u>1,211,382</u>	<u>1,279,842</u>

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2015

10 Net incoming/(outgoing) resources for the year

	2015	2014
	£	£
Net incoming/(outgoing) resources is stated after charging		
Depreciation and other amounts written off tangible fixed assets	124,016	136,735
Auditors' remuneration (Note 11)	3,600	3,600

11 Auditors' remuneration

	2015	2014
	£	£
Auditors' remuneration - audit of the financial statements	<u>3 600</u>	<u>3 600</u>

12 Employees

Employment costs

	2015	2014
	£	£
Wages and salaries	1,998,512	1,930 516
Social security costs	<u>145,942</u>	<u>138,882</u>
	<u><u>2,144,454</u></u>	<u><u>2 069,398</u></u>

Number of employees

The number of employees who earned more than £60,000 during the year was as follows

	2015	2014
	Number	Number
£60 001 to £70,000	<u>1</u>	<u>-</u>

The average monthly numbers of employees during the year, was as follows

	2015	2014
	Number	Number
Teaching staff	81	79
Support staff	<u>47</u>	<u>45</u>
	<u><u>128</u></u>	<u><u>124</u></u>

13 Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2015

14	Tangible fixed assets	Land and buildings freehold	Ground and building improvements	Fixtures, fittings and equipment	Motor vehicle	Total
		£	£	£	£	£
	Cost					
	At 1 September 2014	3,853,393	177,909	619,581	9,271	4,660,154
	Additions	-	-	25,571	6,000	31,571
	At 31 August 2015	3,853,393	177,909	645,152	15,271	4,691,725
	Depreciation					
	At 1 September 2014	307,172	171,878	383,027	8,880	870,957
	Charge for the year	77,068	6,031	39,319	1,598	124,016
	At 31 August 2015	384,240	177,909	422,346	10,478	994,973
	Net book values					
	At 31 August 2015	3,469,153	-	222,806	4,793	3,696,752
	At 31 August 2014	3,546,221	6,031	236,554	391	3,789,197

Manchester Islamic Educational Trust owns three freehold properties and these are situated as follows

- 55 High Lane Chorlton, Manchester,
- Hartley Hall Alexandra Road South, Manchester
- The Grange, 551 Wilmslow Road, Withington Manchester

In the opinion of the Trustees the cost of professionally valuing these assets to include a value in the accounts outweighs the benefits to the users of the accounts. They are insured for £28 m which is an estimate of their replacement cost.

15	Fixed asset investments	Subsidiary undertaking shares	Group Other unlisted investments	Charity Total
		£	£	£
	Valuation			
	At 1 September 2014	-	1,000	1,000
	Additions	100	-	100
	At 31 August 2015	100	1,000	1,100

The unlisted investments are held within the United Kingdom and in directors'/trustees' opinion, they reflect the market value.

16	Debtors	Group 2015	Group 2014	Charity 2015	Charity 2014
		£	£	£	£
	Fee debtors	72,828	89,305	72,828	89,305
	Amount due from subsidiary undertaking	-	-	112,451	-
	Other debtors	20,743	20,247	20,743	20,247
	Prepayments and accrued income	9,856	33,182	9,856	33,182
		103,427	142,734	215,878	142,734
17	Creditors amounts falling due within one year	Group 2015	Group 2014	Charity 2015	Charity 2014
		£	£	£	£
	Bank overdraft	-	4,031	-	4,031
	Loan	-	858	-	858
	Trade creditors	81,302	46,713	79,756	46,713
	Other taxes and social security	25,484	29,488	24,197	29,488
	Other creditors	305,007	327,684	305,007	327,684
	Accruals and deferred income	104,868	78,718	102,812	78,718
		516,661	487,492	511,772	487,492

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2015

18 Analysis of net assets between funds of Group and the Charity

	Unrestricted funds £	Group funds £	Charity funds £
Fund balances at 31 August 2015 as represented by			
Tangible fixed assets	3,696,752	3,696,752	3,696,752
Investment assets	1,000	1,000	1,100
Current assets	716,796	716,796	711,807
Current liabilities	(516,661)	(516,661)	(511,772)
	<u>3,897,887</u>	<u>3,897,887</u>	<u>3,897,887</u>

19 Unrestricted funds

	At 1 September 2014 £	Incoming resources £	Outgoing resources £	At 31 August 2015 £
Group general fund	<u>3,845,199</u>	<u>3,306,127</u>	<u>(3,253,439)</u>	<u>3,897,887</u>
Charity general fund	<u>3,845,199</u>	<u>3,156,087</u>	<u>(3,103,399)</u>	<u>3,897,887</u>

Purposes of unrestricted funds

The unrestricted funds represents funds which the trustees are free to use in accordance with the charitable objectives

20 Related party transactions

Trustees received no remuneration (2014 £nil) and were not reimbursed for any of their expenses in the year (2014 £nil)

During the year Manchester Islamic Educational Trust Ltd paid £5,196 (2014 £18,980) towards accountancy services to Zaheer and Co, Chartered Certified Accountants in which Farroukh Zaheer, who is a trustee of Manchester Islamic Educational Trust Ltd, is a partner

As at 31 August 2015 the amount owed by British Muslim Heritage Centre, a connected charity by way of common trustees was £20,000 (2014 £20,000) and included within other debtors. The loan is interest free, unsecured and payable on demand

Manchester Islamic Educational Trust Ltd owns 100% share capital of Hartley Hall of Residence Ltd (HHR Ltd). HHR Ltd's principal activity during the year was receiving rental income from student accommodation. Farroukh Zaheer, Nasar Mahmood, Haytham Al-Khaffaf are directors of HHR Ltd. HHR Ltd was set up for furthering the fundraising activities of Manchester Islamic Educational Trust Ltd with all future profits to be donated back to Manchester Islamic Educational Trust Ltd

During the year, the rental income due from HHR Ltd was £43,200 and donations receivable from HHR Ltd was £186,209. At the balance sheet date the amount owed by Hartley Hall of Residence Ltd was £112,451 (2014 Owed by MIET £28,737)

21 Gross cash flows

	2015 £	2014 £
Capital expenditure		
Payments to acquire tangible assets	<u>(31,571)</u>	<u>(44,237)</u>
	<u>(31,571)</u>	<u>(44,237)</u>

Manchester Islamic Educational Trust Limited
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 August 2015

22 Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	399,758	213,608	613,366
Overdrafts	(4,031)	4,031	-
	<u>395,727</u>	<u>217,639</u>	<u>613,366</u>
Debt due within one year	(858)	861	3
Net funds	<u>394,869</u>	<u>218,500</u>	<u>613,369</u>

23 Company limited by guarantee

Manchester Islamic Educational Trust Limited is a company limited by guarantee and accordingly does not have a share capital

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member